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## **Poland**

## **Fresh Deciduous Fruit**

## **Annual**

## **2002**

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### **Report Highlights:**

**After record CY2001 apple production, the crop in CY2002 is expected to decline 25 percent mainly because of unfavorable weather conditions in April-May 2002. Lower apple production will result in lower concentrated apple juice production. To cover fresh fruit demand, Poland could increase apple imports. Concentrated apple juice exports, virtually all destined for the EU, are forecast to drop over 10 percent.**

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
Annual Report  
Warsaw [PL1], PL

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## Executive Summary

MY 2001/2002 record apple production amounted to 2.4 million tons. Unfavorable weather conditions in April-May 2002 will lead to a decrease in apple production and concentrated apple juice in MY 2002/2003. Approximately 1.8 million tons of apples were utilized by the processing industry in MY 2001/2002, producing 205,000 tons of concentrated apple juice (CAJ), mainly for export.

In MY 2001/2002 exports of apples were 41 percent higher than the previous MY. Exports in MY 2002/2003 are expected to be at the MY 2000/2001 level. The level of apple imports in MY 2001/2002 was similar to that of the previous season and could be higher by 10-15 percent in MY 2002/2003.

**Apple production in MY 2002/2003 is expected to be lower than in MY 2001/2002. Consequently, the supply of processing apples will also decrease, which means CAJ production could decrease by around 30 percent to 170,000 tons.**

## Production

According to GOP official data, CY 2001 apple production reached 2.4 million tons and was 68 percent higher than in CY 2000. It was a result of higher production in commercial orchards obtained due to increasing numbers of fruit-bearing trees, very favorable weather conditions and very high yields of 1,460 tons per hectare compared with 880 tons per hectare in 2000. Therefore, the non-commercial crop was lower than the CY 2000 crop.

The crops of all varieties of apples (excluding Mc Intosh) increased in commercial orchards. The main varieties in Poland are Cortland, Champion, Idared and Lobo.

It is expected that the apple production in 2002 will be much lower than in 2001 and will reach only 1.8 million tons. The mild winter and nice spring were favorable for all fruit except apples. Their flowering period was much shorter than for other fruits. This was because of a long dry period in April-May and heavy rains at the end of May through the beginning of June which increased humidity but contributed to fungi problems in orchards.

It is estimated that the production of concentrated apple juice (CAJ) in MY 2001/2002 was approximately 205,000 metric tons, eight percent higher than in MY 2000/2001. There were 1.8 million tons of apples processed, 200,000 tons more than in the previous season. In MY 2000/2001 CAJ represented 15 percent of total processed fruit, and increased by one percent up to 16 percent in MY 2001/2002.

Since the apple crop is estimated to be lower in MY 2002/2003, the production of CAJ will also be lower and could drop to 120,000-130,000 tons.

## Consumption

**Fruit consumption in Poland is steadily increasing. Nevertheless, compared to the EU, fruit consumption is still very low. Apples remain the dominant horticultural fruit in Poland. However, according to a family budget survey, apple**

consumption decreased in CY2001. It is expected that due to lower production in CY2002, consumption of apples will also decline. The share of apples in relationship to the total consumption of fruit decreased from 47 percent in 2000 to 45 percent in 2001.

Consumption of apple juice increased by about 10 percent in CY2001 to 23,000 tons. Despite a lower apple crop and higher prices, the consumption of apple juice is expected to remain at a similar level in CY2002, mainly due to the very hot summer. The most popular juices in Poland are orange and apple juices with a new trend toward mixed fruit and fruit-vegetable juices.

## Trade

While export of all fruits were lower in MY 2001/2002, the export of apples increased from US\$ 19 million in MY 2000/2001 to US\$ 44 million in MY 2002/2002. The reason for such a big increase was the increased apple export quantities as well as increased average export prices from US\$ 0.09 per kilogram up to US\$ 0.15 per kilogram. The export of fresh apples, supplied mainly to Belarus, Russia and the Baltic states, increased from 200,000 up to 250,000 tons, while export prices increased from US\$ 0.10 to US\$ 0.17 per kilogram. Export of industrial apples, supplied mainly to Germany and Austria increased from 6,000 to 40,000 tons and the prices decreased from US\$ 0.08 to 0.05 per kilogram. Imports of fresh apples for MY 2001/2002 were valued at US\$ 11 million, a 13 percent increase from MY 2000/2001.

Virtually all Polish CAJ production is exported. Exports of CAJ in MY 2001/2002 were worth US\$109 million, compared to US\$104 million in MY 2000/2001, 98 percent of which is destined for the EU. The slight increase in value resulted from stable export prices and 3,000 to 5,000 tons of additional exports. The prices on CAJ were euro 0.7 per kilogram in both MY 2000/2001 and MY 2001/2002. Stagnant export prices resulted from very high apple production in Poland and supply increases in China.

In MY 2001/2002, imports of CAJ dropped by half and were valued at US\$ 3.6 million.

Considering very large world supplies of CAJ, Polish CAJ export prices in MY 2002/2003 could remain at the low level of the previous season. The final price level will depend on EU and U.S. crops.

In 2001, prices on fresh fruit and processed fruit products increased by an average 5.2 percent compared with the previous year. The increase was higher than for foodstuffs and non-alcoholic beverages but did not exceed the inflation level. Among fresh fruit, only apples were cheaper - by 13 percent compared with 2000 year prices. During the first four months of 2002, prices were at the low level of the same period in 2001, mainly due to overproduction in 2001. In 2002, due to estimated lower fruit crops, the prices on fruit will be higher than in the previous year. Also, imported fruit prices will be higher. It is estimated that the level of fruit price increases will be higher than for other food products.

## Policy

Since September 2001, new legislation on producers' groups is in force. The new system of producers groups is still in the process of organization, but the Ministry of Agriculture already published a list of products that can be subsidised if they will be withdrawn from the market. In the case of apples, in 2002, farmers can receive an amount of euro 8.81 per

100 kilograms. Apple producers, like other farmers, can apply for preferential credit (part of the interest rate is paid by the GOP's Agency for the Restructuring and Modernization of Agriculture) from local banks.

## Marketing

Most imports are handled by small private companies. Large processors such as Agros, Polcoop and Hortex focus primarily on export sales. Most of the distribution of fruit in the Polish market is done through farmers' markets or commodity exchanges. There is still a deficit of modern storage facilities for apples in Poland. It is estimated that only 50,000-60,000 tons of apples are stored in modern storage facilities. Only large apple producers can afford the price of such a facility. The average Polish orchard is less than 5 hectares.

## Tariffs applicable in CY 2002

The current tariff rate for CAJ is 50 percent or 44 percent plus 0.2 EUR/kg with a maximum 120 EUR/hl plus sugar-content tax. In order to protect the local sugar industry, in 1993 Poland introduced a sugar-content tax. This tax applies to all products which contain sugar. The sugar tax applicable to CAJ is 0.0049 EUR per each 10 grams or each 1 percent of sugar in 1 kilogram of the product. The tariff rate for CAJ with no added sugar content is 35 percent. There is a 12 percent preferential tariff rate on all kinds of CAJ imported from the Czech and Slovak Republics, Hungary, Slovenia, Romania, Bulgaria and Latvia, under a series of bilateral agreements.

CN Code	Product	Import tariff for WTO members, incl. USA and EU members	Czech & Slovak Rep.	Lithuania	Latvia
0808.10.10.0	Apples for juice, from Sept.16 till December 15	0.3 EUR/kg	10 %	10 %	0 %
0808.10.20	Golden Delicious varieties:				
0808.10.20.1	-from January 1 till March 31	0.33 EUR/kg	10 %	10 %	10 %
0808.10.20.3	-from April 1 till June 30	0.12 EUR/kg	0 %	10 %	0 %
0808.10.20.5	-from July 1 till July 31	10 %	0 %		0 %
0808.10.20.7	-from August 1 till December 31	0.30 EUR/kg	10 %	10 %	15 %
0808.10.50	Granny Smith varieties:				
0808.10.50.1	-from Jan 1 till March 31	0.33 EUR/kg	10 %	10 %	10 %
0808.10.50.3	-from April 1 till June 30	0.12 EUR/kg	0 %	10 %	0 %
0808.10.50.5	-from July 1 till July 31	10 %	0 %		0 %
0808.10.50.7	-from August 1 till December 31	0.33 EUR/kg	10 %	10 %	15 %
0808.10.90	Other varieties:				
0808.10.90.1	-from Jan 1 till March 31	0.33 EUR/kg	10 %	10 %	10 %
0808.10.90.3	-from April 1 till June 30	0.12 EUR/kg	0 %	10 %	0 %

0808.10.90.5	-from July 1 till July 31	10 %	0 %		0 %
0808.10.90.7	-from August 1 till December 31	0.30 EUR/kg	10 %	10 %	15 %

**Tables:****Fresh Apples - PSD**

PSD Table						
Country	Poland					
Commodity	Fresh Apples				(HA)(1000 TREES)(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Area Planted	165200	165100	165200	166400	0	166000
Area Harvested	100000	100000	100000	100000	0	100000
Bearing Trees	70000	65354	71000	78432	0	76000
Non-Bearing Trees	20000	20000	20000	20000	0	22000
Total Trees	90000	85354	91000	98432	0	98000
Commercial Production	2085000	2200800	2200000	2626000	0	1957000
Non-Comm. Production	200000	200000	150000	180000	0	150000
TOTAL Production	2285000	2400800	2350000	2806000	0	2107000
TOTAL Imports	15000	19100	10000	20000	0	23000
TOTAL SUPPLY	2300000	2419900	2360000	2826000	0	2130000
Domestic Fresh Consump	650000	764000	660000	736000	0	680000
Exports, Fresh Only	200000	205900	250000	290000	0	200000
For Processing	1450000	1450000	1450000	1800000	0	1250000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	2300000	2419900	2360000	2826000	0	2130000

**Exports of Fresh Apples**

Export Trade Matrix			
Country	Poland		
Commodity	Fresh Apples		
Time period	Jan-Dec	Units:	MT
Exports for:	2000		2001
U.S.		U.S.	
Others		Others	
Belarus	87528	Belarus	128670
Russia	81327	Russia	23634
Lithuania	14908	Germany	22542
Latvia	11103	Lithuania	14496
Germany	6644	Latvia	13511
Estonia	4902	Austria	10572
Romania	1774		
Total for Others	208186		213425
Others not Listed	3390		32514
Grand Total	211576		245939



**Imports of Fresh Apples**

Import Trade Matrix			
Country	Poland		
Commodity	Fresh Apples		
Time period	Jan-Dec	Units:	MT
Imports for:	2000		2001
U.S.		U.S.	14
Others		Others	
Netherlands	3960	Netherlands	5854
Austria	3903	Austria	5169
Italy	3286	Argentina	4554
Argentina	2750	Italy	1973
Belgium	547	Belgium	1694
France	462		
Chile	152		
Total for Others	15060		19244
Others not Listed	1		2383
Grand Total	15061		21641

**Concentrated Apple Juice - PSD**

PSD Table						
Country	Poland					
Commodity	Concentrated Apple Juice				(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Deliv. To Processors	1450000	1450000	1450000	1800000	0	1250000
Beginning Stocks	7000	7000	4000	4000	1000	5000
Production	190000	190000	190000	205000	0	170000
Imports	3000	11084	3000	6230	0	8000
TOTAL SUPPLY	200000	208084	197000	215230	1000	183000
Exports	185000	183000	185000	187000	0	160000
Domestic Consumption	11000	21084	11000	23230	0	21000
Ending Stocks	4000	4000	1000	5000	0	2000
TOTAL DISTRIBUTION	200000	208084	197000	215230	0	183000

**Exports of Concentrated Apple Juice**

Export Trade Matrix			
Country	Poland		
Commodity	Concentrated Apple Juice		
Time period	Jan-Dec	Units:	MT
Exports for:	2000		2001
U.S.	559	U.S.	2582
Others		Others	
Germany	123536	Germany	152110
Austria	11963	Austria	19648
Denmark	4460	Italy	6108
Italy	4417	Denmark	3333
UK	827	Netherlands	2117
Belgium	651		
Total for Others	145854		183316
Others not Listed	5259		5664
Grand Total	151672		191562

**Imports of Concentrated Apple Juice**

Import Trade Matrix			
Country	Poland		
Commodity	Concentrated Apple Juice		
Time period	Jan-Dec	Units:	MT
Imports for:	2000		2001
U.S.		U.S.	
Others		Others	
China	6602	China	2645
Lithuania	1520	Lithuania	1539
Iran	1044	Czech Rep.	523
Czech Rep.	827	Hungary	498
Hungary	266	Germany	459
Germany	245		
UK	146		
Total for Others	10650		5664
Others not Listed	434		566
Grand Total	11084		6230